



JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA
October 24, 1994

DIRECTIVE NO. 126

TO: LOUIS SALVADOR LACARA - LICENSE #52657
RIVERBEND INSURANCE AGENCY, INC. - LICENSE #174692

RE: ACTING FOR UNAUTHORIZED SELF-INSURER

Louisiana Revised Statutes 22:3007 prohibits any natural or juridical persons from soliciting, procuring, receiving, or forwarding applications for coverage under any unauthorized self-insurance plan within this state. Also prohibited are the issue or delivery of policies, certificates, schedules of benefits, or other evidence of such coverage or in any manner securing, assisting or aiding in the placing of any such coverage for any person other than himself, directly or indirectly, with any self-insurer not authorized to do business in this state under Chapter Three of the Louisiana Insurance Code.

Evidence has been received in the Department of Insurance that you have been actively involved in the marketing of coverage through several unauthorized, multiple employer welfare arrangements and, in the recruitment of other licensed agents to represent unauthorized insurers.

Pursuant to Louisiana Revised Statutes 22:1305, the Commissioner of Insurance is authorized to employ examiners to conduct examination of matters relative to the business of insurance. Furthermore, insurance agents may be examined as often as the Commissioner of Insurance deems necessary in accordance with Louisiana Revised Statutes 22:1308.

THEREFORE, IT IS DIRECTED THAT YOU OPEN YOUR OFFICES FOR IMMEDIATE INSPECTION OF ALL ACCOUNTS, RECORDS, DOCUMENTS AND TRANSACTIONS PERTAINING TO THE AMERICAN FIDELITY TRUST, MID-CONTINENT MEDICAL BENEFITS TRUST, NORTH AMERICA MEDICAL BENEFITS TRUST AND, ANY OTHER INSURANCE PLAN OFFERED THROUGH MULTIPLE EMPLOYER WELFARE ARRANGEMENTS.

FAILURE TO PROVIDE DOCUMENTS REQUESTED BY EXAMINERS IN THE COURSE OF AN AUTHORIZED EXAMINATION IS A VIOLATION OF LOUISIANA REVISED STATUTES 22:1315 A (4). PENALTIES FOR SUCH VIOLATION, UPON CONVICTION, INCLUDE A FINE OR NOT MORE THAN FIFTY THOUSAND DOLLARS, IMPRISONMENT WITH OR WITHOUT HARD LABOR FOR NOT MORE THAN FIVE YEARS, OR BOTH.

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE

BY:

WINSTON W. RIDDICK
CHIEF DEPUTY COMMISSIONER